

IN RE: EXEMPTION OF THE NATIONAL POWER CORPORATION FROM PAYMENT OF FILING/ DOCKET FEES

A.M. No. 05-10-20-SC. March 10, 2010

Ponente: MENDOZA, J.

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MENDOZA, J.:

The National Power Corporation (NPC) seeks clarification from the Court on whether or not it is exempt from the payment of filing fees, appeal bonds and supersedeas bonds.

On December 6, 2005, the Court issued A.M. No. 05-10-20-SC, In re: Exemption of the National Power Corporation from the Payment of Filing/Docket Fees, on the basis of Section 13, Republic Act No. 6395 (An Act Revising the Charter of the National Power Corporation). It reads:

The Court Resolved, upon the recommendation of the Office of the Court Administrator, to DECLARE that the National Power Corporation (NPC) is still exempt from the payment of filing fees, appeals bond, and supersedeas bonds.

On October 27, 2009, however, the Court issued A.M. No. 05-10-20-SC stating that:

The Court Resolved, upon recommendation of the Committee on the Revision of the Rules of Court, to DENY the request of the National Power Corporation (NPC) for exemption from the payment of filing fees pursuant to Section 10 of Republic Act No. 6395, as amended by Section 13 of Presidential Decree No. 938. The request appears to run counter to Section 5(5), Article VIII of the Constitution, in the rule-making power of the Supreme Court over the rules on pleading, practice and procedure in all courts, which includes the sole power to fix the filing fees of cases in courts.

Hence, the subject letter of NPC for clarification as to its exemption from the payment of filing fees and court fees.

Section 22 of Rule 141 reads:

Sec. 22. Government exempt. - The Republic of the Philippines, its agencies and instrumentalities are exempt from paying the legal fees provided in this rule. Local government units and government-owned or controlled corporations with or without independent charters are not exempt from paying such fees. (emphasis supplied)

Section 70 of Republic Act No. 9136 (Electric Power Industry Reform Act of 2001), on privatization of NPC assets, expressly states that the NPC "shall remain as a national government-owned and controlled corporation."

Thus, NPC is not exempt from payment of filing fees.

The non-exemption of NPC is further fortified by the promulgation on ---February 11, 2010 of A.M. No. 08-2-01-0, In re: Petition for Recognition of the Exemption of the Government Service Insurance System (GSIS) from Payment of Legal Fees. In said case, the Court, citing Echegaray v. Secretary of Justice,[1] stressed that the 1987 Constitution took away the power of Congress to repeal, alter or supplement rules concerning pleading,

practice, and procedure; and that the power to promulgate these rules is no longer shared by the Court with Congress and the Executive, thus:

Since the payment of legal fees is a vital component of the rules promulgated by this Court concerning pleading, practice and procedure, it cannot be validly annulled, changed or modified by Congress. As one of the safeguards of this Court's institutional independence, the power to promulgate rules of pleading, practice and procedure is now the Court's exclusive domain. That power is no longer shared by this Court with Congress, much less the Executive.

Speaking for the Court, then Associate Justice (now Chief Justice) Reynato S. Puno traced the history of the rule-making power of this Court and highlighted its evolution and development in *Echegaray v. Secretary of Justice*:

Under the 1935 Constitution, the power of this Court to promulgate rules concerning pleading, practice and procedure was granted but it appeared to be co-existent with legislative power for it was subject to the power of Congress to repeal, alter or supplement. Thus, its Section 13, Article VIII provides:

Sec.13. The Supreme Court shall have the power to promulgate rules concerning pleading, practice and procedure in all courts, and the admission to the practice of law. Said rules shall be uniform for all courts of the same grade and shall not diminish, increase, or modify substantive rights. The existing laws on pleading, practice, and procedure are hereby repealed as statutes, and are declared Rules of Court, subject to the power of the Supreme Court to alter and modify the same. The Congress shall have the power to repeal, alter or supplement the rules concerning pleading, practice and procedure, and the admission to the practice of law in the Philippines.

x x x x x x x x

[T]he 1973 Constitution reiterated the power of this Court "to promulgate rules concerning pleading, practice, and procedure in all courts, x x x which, however, may be repealed, altered or supplemented by the Batasang Pambansa x x x." More completely, Section 5(2) [sic] 5 of its Article X provided:

x x x x x x x x

Sec. 5. The Supreme Court shall have the following powers.

x x x x x x x x

(5) Promulgate rules concerning pleading, practice, and procedure in all courts, the admission to the practice of law, and the integration of the Bar, which, however, may be repealed, altered, or supplemented by the Batasang Pambansa. Such rules shall provide a simplified and inexpensive procedure for the speedy disposition of case, shall be uniform for all courts of the same grade, and shall not diminish, increase, or modify substantive rights.

x x x x x x x x

The 1987 Constitution molded an even stronger and more independent judiciary. Among others, it enhanced the rule making power of this Court. Its Section 5(5), Article VIII provides:

x x x x x x x x

Section 5. The Supreme Court shall have the following powers.

x x x x x x x x

(5) Promulgate rules concerning the protection and enforcement of constitutional rights, pleading, practice, and procedure in all courts, the admission to the practice of law, the Integrated Bar, and legal assistance to the

underprivileged. Such rules shall provide a simplified and inexpensive procedure for the speedy disposition of cases, shall be uniform for all courts of the same grade, and shall not diminish, increase, or modify substantive rights. Rules of procedure of special courts and quasi-judicial bodies shall remain effective unless disapproved by the Supreme Court.

The rule making power of this Court was expanded. This Court for the first time was given the power to promulgate rules concerning the protection and enforcement of constitutional rights. The Court was also granted for the first time the power to disapprove rules of procedure of special courts and quasi-judicial bodies. But most importantly, the 1987 Constitution took away the power of Congress to repeal, alter, or supplement rules concerning pleading, practice and procedure. In fine, the power to promulgate rules of pleading, practice and procedure is no longer shared by this Court with Congress, more so with the Executive.

The separation of powers among the three co-equal branches of our government has erected an impregnable wall that keeps the power to promulgate rules of pleading, practice and procedure within the sole province of this Court. The other branches trespass upon this prerogative if they enact laws or issue orders that effectively repeal, alter or modify any of the procedural rules promulgated by this Court. Viewed from this perspective, the claim of a legislative grant of exemption from the payment of legal fees under Section 39 of RA 8291 necessarily fails.

With the foregoing categorical pronouncement of the Court, it is clear that NPC can no longer invoke Republic Act No. 6395 (NPC Charter), as amended by Presidential Decree No. 938, as its basis for exemption from the payment of legal fees.

WHEREFORE, it is hereby CLARIFIED that the National Power Corporation is not exempt from the payment of legal fees.

SO ORDERED.

Puno, CJ., Carpio, Corona, Carpio Morales, Velasco, Jr., Nachura, Leonardo-De Castro, Brion, Peralta, Bersamin, Del Castillo, Abad, Villarama, Jr., and Perez, JJ., concur.

[1] 361 Phil. 76 (1999).

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